

EXHIBIT “3”

**Transcript of 341 Meeting
February 16, 2006**

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

In re)	Case No. 05-95389
)	
GLOBAL EMPIRE INVESTMENTS)	February 16, 2006
AND HOLDINGS, LLC,)	
)	Houston, Texas
)	
Debtor.)	
)	

TRANSCRIPT OF
341 MEETING OF CREDITORS

For the United States Trustee:	Stephen Statham United States Trustee Southern District of Texas Houston Office 515 Rusk Street, Suite 3516 Houston, TX 77002 (713) 718-4650 x252
For the Debtor:	Dick Fuqua Dr. Mohammed Haroon Rashid
Other Creditors and Counsel:	Dave Parham for Progressive Jim Stokes for Bruce and Connie Oyler Mr. Rosen
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Proceedings recorded by electronic sound recording;
transcript produced by federally-approved transcription service.

Rashid Examination

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1 FEBRUARY 16, 2006 - 10:15 A.M.

2 MR. STATHAM: Good morning. My name is Steve
3 Statham. I'm an attorney with the United States Trustee. This
4 is February the 16th, 2006. This is the 341 meeting of
5 creditors for Global Empire Investments & Holdings, LLC. This
6 matter is being digitally recorded this morning. Debtor's
7 representative and counsel are present. Would you please
8 identify yourselves?

9 MR. FUQUA: I would introduce Dr. Rashid to the
10 creditors. You need to pronounce your name slowly, because
11 it's being recorded.

12 DR. RASHID: Dr. Mohammed Haroon Rashid.

13 MR. FUQUA: My name's Dick Fuqua, F-U-Q-U-A. I
14 represent the Debtor.

15 MR. STATHAM: Dr. Rashid, if it's your intention to
16 offer testimony today, would you please raise your right hand
17 to be sworn?

18 MOHAMMED RASHID, SWORN

19 EXAMINATION BY UNITED STATES TRUSTEE

20 Q Very well. What is your relationship to Global Investment
21 and Holdings, LLC?

22 A I am the president and CEO.

23 Q Very well. Have you had an opportunity to examine the
24 pleadings, schedules, and statements that have been filed on
25 the LLC's behalf by Mr. Fuqua?

Rashid Examination

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1 A Yes, sir.

2 Q Is the information true and correct that are contained in
3 those documents?

4 A Yes.

5 Q Are you aware of any additions, deletions, or changes that
6 need to be made at this time?

7 A I don't think so, looks like.

8 Q Okay. Very well. What is Global Empire Investments and
9 Holdings, LLC?

10 A Is a holding company, hold the real estate assets and the
11 oil assets.

12 Q Very well. Go through specifically what real estate and
13 oil assets we're speaking of.

14 A Real estate, we own these two buildings, commercial
15 buildings.

16 Q Yes, sir.

17 A And there was a small refinery in Baytown, and that was
18 owned by the Global Empire.

19 MR. FUQUA: Well, let me make sure the record's
20 clear. The wholly-owned subsidiary owned the topping plant in
21 Baytown. The subsidiary is still owned by the company, is
22 still owned by Global. The topping plant, I believe, was,
23 frankly, titled in another entity.

24 MR. STATHAM: All right. So do you consider that to
25 be an asset or not at this point?

Rashid Examination

4

1 MR. FUQUA: No, I think the -- I think, under the
2 separate entity theory, the topping plant, I believe, has been
3 foreclosed upon shortly before bankruptcy by the second
4 lienholder. And the corporation that owned that asset is owned
5 by the Debtor.

6 So it's the corporation that's owned, not the assets of
7 the subsidiary.

8 MR. STATHAM: Very well. Thank you for clarifying
9 that.

10 MR. FUQUA: No problem.

11 BY MR. STATHAM:

12 Q Can you address for me the nature of the two buildings? I
13 assume these are office buildings?

14 A Yeah. Six-story commercial office buildings.

15 Q And where are they located?

16 A With multi-tenant. 5821 Southwest Freeway, Houston,
17 Texas, 77057. And 5851 Southwest Freeway.

18 MR. FUQUA: And let me tell you, for ease, that's
19 right around Chimney Rock and the Southwest Freeway, just as it
20 curves. It's between Westpark and Southwest Freeway and
21 Chimney Rock.

22 BY MR. STATHAM:

23 Q All right. What's your tenant base currently? Is it --

24 A Multi-tenants. Yeah. Insurance companies. Mortgage
25 companies.

Rashid Examination

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1 Q So a wide variety?

2 A A wide variety, yeah.

3 Q All right. What's the current occupancy rate of the 21
4 location?

5 A Between 70-75 percent, the total.

6 Q And the occupancy on the other building?

7 A The same.

8 Q All right. What caused you to file bankruptcy?

9 A We had a second lien on that one, and second lien, we was
10 expecting that to refinance the building, but it was delayed
11 for certain reasons. The bank's taking time. And they force
12 us to foreclose on us. And we protect ourselves.

13 MR. FUQUA: Said another way, there was a posting, a
14 foreclosure posting by the second and the first.

15 THE WITNESS: Yeah.

16 MR. FUQUA: And they filed Chapter 11.

17 BY MR. STATHAM:

18 Q Earlier, Mr. -- and this a question probably more
19 addressed to your lawyer than to you, Doctor.

20 MR. STATHAM: But there had been a motion for relief
21 from stay filed by Centrum Financial. I understand that matter
22 has been resolved in some capacity. For purposes of the
23 record, can you describe the resolution?

24 MR. FUQUA: Yes. There was a 362 filed by Centrum,
25 the first lienholder. It has been compromised. Dr. Rashid has

1 agreed to advance \$1 million -- frankly, it'll be paid tomorrow
2 -- to Centrum.

3 It's not a debt of the Debtor. In other words, it's an
4 equity contribution made to the benefit of the Debtor by paying
5 Centrum, but not a debt for which the Debtor will be
6 responsible or liable.

7 In addition to that, there is an agreement to keep monthly
8 operating reports current, taxes to be kept -- *ad valorem*s to
9 be kept current, and insurance to be kept current. That's --
10 the stay will remain in place until August of 2005 -- or '06,
11 pardon me -- at which time the Debtor needs to either have his
12 plan on file, refinancing done, and -- or move forward, or they
13 have -- the stay will relax.

14 MR. STATHAM: Very well.

15 BY MR. STATHAM:

16 Q To that end, what are the prospects for the refinance at
17 this point?

18 A We are working with the two lenders right now.

19 Q Okay.

20 A And we think that, the next 60 days, we will be getting
21 refinance then.

22 Q Okay. And so if you get refinance, that's going to be the
23 basis of your plan --

24 MR. FUQUA: Yes.

25 MR. STATHAM: -- of reorganization?

Rashid Examination

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1 THE WITNESS: Yes.

2 BY MR. STATHAM:

3 Q If not, it'll --

4 MR. FUQUA: We're going to be having a sale.

5 MR. STATHAM: -- go in some way?

6 THE WITNESS: Yes.

7 MR. STATHAM: All right.

8 MR. FUQUA: We believe there is equity in the real
9 property action.

10 MR. STATHAM: Tell me about the situation between the
11 first and the second lienholder, if you could.

12 MR. FUQUA: The second lienholder, I think, was a
13 hard money lender out of Dallas. The first, they closed maybe
14 less than a year ago with Centrum and made their first payment,
15 and, frankly, made no other payments.

16 I do not believe the first and the second are related in
17 business at all. I think they're actually independent. The
18 second, I'm informed, took additional collateralization with
19 their second. I believe it was a Japanese group, but I'm --

20 THE WITNESS: Chinese.

21 MR. FUQUA: Japanese or Chinese or Asian, out of
22 Dallas. They foreclosed on a topping plant in Baytown on the
23 eve, somewhat near to the date of filing of this bankruptcy.
24 It's my understanding that they bid \$100,000 and assert still a
25 second. We've listed it as disputed because we have

Rashid Examination

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1 information that indicates they have either got it sold or are
2 selling it for in excess of two million bucks. And that would
3 indicate to me a question as to the values. Which, you know,
4 if we have an issue, that's an issue that Judge Isgur will get
5 to take up.

6 MR. STATHAM: Very well.

7 BY MR. STATHAM:

8 Q Doctor, tell me about Galleria Corridor, LLC, the
9 management company that's reflected on your schedule. What is
10 that?

11 A That is the management company owned by the Global.
12 Hundred percent.

13 Q And they --

14 A They manage the building, run daily business, collect the
15 rents, and all the things they do.

16 MR. FUQUA: Now, I would point out to you it's an odd
17 deal. I've been doing this for a few years, and it appears
18 that the leases are all with the management company and not
19 with the Debtor. You'll note that from the schedules when you
20 see the schedules.

21 I don't think that's a problem. We've listed it. But I'm
22 telling you so that when you look and you don't see a lot of
23 tenant contracts on our schedules, that's why.

24 MR. STATHAM: All right. What's the flow of the
25 money, then, basically, as rents come in?

Rashid Examination

9

1 MR. FUQUA: I think they're losing -- how much money
2 a month?

3 THE WITNESS: I think we are round about \$40,000,
4 \$50,000. That range.

5 MR. FUQUA: And I would tell you that there are new
6 leases coming in place that should make it positive cash flow
7 --

8 THE WITNESS: Yes.

9 MR. FUQUA: -- we hope within 60 days, actually.

10 THE WITNESS: Yeah. We are preparing right now,
11 actually, to those tenants moving in.

12 BY MR. STATHAM:

13 Q You've got a counterclaim listed on #21 of your Schedule
14 B. I'm going to pronounce this *Oyler v. Global Empire* case.
15 What can you tell me about that?

16 A We have a dispute on that. It is not actually related to
17 our businesses. We had a third party that arranged that loan,
18 and the creditor itself took the money from the loan, too. So
19 that is in the court right now. So we are going to pursue on
20 that one.

21 Q Was this going to be financing for Global?

22 A No.

23 Q What was the deal that was --

24 A Actually, the deal was -- in question was that the --
25 there was a company, JB Trays. I at that time I was interested

1 to buy that company.

2 Q Okay.

3 A And they are a service company, oil service company. And
4 they need the help to do some jobs and they need some advance
5 payment, and Mr. Oyler need the money to pay his mother \$90,000
6 he took from the loan for himself and rest he give to the -- to
7 JB Trays. And I end up round-about like very nominal money
8 that we invest in our situation.

9 Q Okay. So we've got a financial dispute of some sort?

10 A Yes.

11 MR. FUQUA: Sounds like a real lawsuit to me.

12 THE WITNESS: Right.

13 MR. FUQUA: Now, we're not involved in that and have
14 -- and don't know --

15 THE WITNESS: Yes. No, we have a separate attorney.

16 MR. FUQUA: But I'm finding out.

17 MR. STATHAM: Okay.

18 BY MR. STATHAM:

19 Q The valuation you've placed on the equipment, how did you
20 derive that?

21 A That is the market value, what we have right now.

22 Q Is that what you're carrying on the books?

23 A Yes, sir.

24 Q What's the current status of the Geotel Group loan?

25 A Geotel actually foreclose on us, on our refinery.

1 Q Sure.

2 A And they are under contract with one entity we know with
3 \$2.7 million. And I think they are closing -- they already
4 closed or they are in process of closing that transaction. And
5 is a disputed item, so we are pursuing in that avenue to settle
6 that issue.

7 MR. FUQUA: The answer that I would give as a lawyer
8 is I don't know. I know that there was a foreclosure pre-
9 petition. I know Mr. Rosen represented the folks from Dallas.
10 And past that, I've had no negotiations or discussions.

11 MR. STATHAM: Is there any question about the
12 propriety of the Centrum loan at all?

13 MR. FUQUA: I don't think so. I think Centrum was a
14 hard money lender, advanced the dollars, collateralized
15 themselves with the buildings. And the Debtor has waived any
16 disputes it might have, interest rate or otherwise, with
17 Centrum as part of its agreement.

18 MR. STATHAM: All right.

19 BY MR. STATHAM:

20 Q What's the nature of the debt to Hendricks Financial
21 Solutions?

22 A They provide us the services and we never paid them to
23 manage our -- all the assets and all that thing.

24 Q Okay. And the nature of the Progressive Mineral claims?

25 A Oh, that, we have a deal with one company in Virginia that

1 want to buy the coal mining. And then we had the meetings with
2 the party who want to sell it, the coal mine to Progressive.
3 But we found out that there was a lot of disparate answers
4 between them. They don't own anything, but it was a paper
5 transaction. So we backed out on that one.

6 Q So you actually had an interest in a mine, or did you have
7 leasing rights?

8 A We didn't have any. We want to have --

9 Q All right.

10 A -- as a collateral on that. And when we went through the
11 paperwork what they provide us, and the ownership was in
12 question, who owned the coal mine. The company who was selling
13 to Progressive, they'd never own anything. They were just the
14 leaseholder. But even leasehold, they don't own it.

15 Q All right.

16 A So there was some kind of flipping the deal.

17 MR. FUQUA: Cutting to the chase, there was a
18 contract -- I've not seen it yet -- where Empire was going to
19 find financing to allow a West Virginia group to purchase a
20 coal mine. I'm not -- I haven't seen the document, so I don't
21 know if there was a kicker or what the equity piece was or if
22 it was just a loan brokerage deal. Dr. Rashid and Mr.
23 Bernstein, who's an associate of Mr. -- Dr. Rashid's, indicate
24 that some broker in the middle of the deal who brought the West
25 Virginia people, I understand, into the transaction took a

1 haircut or took a significant portion of the retainer paid.
2 I've only become recently -- like within the last week, maybe,
3 ten days -- familiar with the transaction, but I don't have any
4 of the -- I don't have all of the operative documents so that I
5 can tell you what I think it is.

6 MR. STATHAM: All right. Thank you. Are you all
7 going to do the MOR's in-house or --

8 MR. FUQUA: They're using them in-house, but they're
9 -- we're going to retain an outside CPA to assist them.

10 BY MR. STATHAM:

11 Q Who's Mr. Hendricks?

12 A He is our CFO.

13 Q Is he still actively involved?

14 A Yes.

15 Q Are you compensated in your capacity as CEO and the sole
16 shareholder?

17 A No. Not yet.

18 MR. STATHAM: All right. That concludes the
19 questions I have. If creditors have questions for the Debtor's
20 representative, would you please identify yourselves for the
21 record before you begin?

22 MR. PARHAM: Dr. Rashid, my name's Dave Parham. I
23 represent Progressive, the mining company you referred to a
24 second ago.

25 EXAMINATION BY MR. PARHAM

Rashid Examination

14

1 BY MR. PARHAM:

2 Q I want to go back, though, to the real estate discussion
3 of these two office buildings. What lenders are you currently
4 working with?

5 A We are working with First Capital Mortgage. And we have
6 one in New York. I can furnish you the name later. Because we
7 are negotiating with them as we speak.

8 Q Has the property been appraised?

9 A Yeah.

10 Q And what was the value it was appraised at?

11 A We did that one in 2003. Market value is 29. Income
12 approach was 24.

13 Q You appraised it in 2003?

14 A Yes, sir.

15 Q Who did the appraisal?

16 A Stewart Appraisal.

17 Q And has there been any change in the occupancy --

18 A Yeah, we have a lot of change, yes. We have three law
19 firms. They -- when we -- when we closed the loan from the old
20 people's, they pull out that one. So that is the substantial
21 change we had.

22 Q Three law firms pulled out?

23 A Yeah.

24 Q Okay. You have obligated yourself to make a \$1 million
25 capital infusion by tomorrow?

Rashid Examination

15

1 A Yes, sir.

2 Q Okay. And do you have the money?

3 A Yes, I think so. I am getting from some friends to get
4 that done.

5 Q You say you're getting the money from friends?

6 A Yes. That is the one.

7 Q So as of today, then, you don't have the money?

8 A Right at this moment, no.

9 Q How much are you looking to -- of the \$1 million, how much
10 of it are you planning to get from friends?

11 A All of that.

12 Q And have those friends made commitments to you?

13 A Yeah.

14 MR. FUQUA: David, it's actually a little more than a
15 million. It's about \$1.1 million. A million one fifty-
16 something. It's \$1.1 million and change.

17 MR. PARHAM: Is the money being -- is it in Houston?
18 Is it being wired in? Is it friends here --

19 THE WITNESS: It's going to be wired in.

20 MR. PARHAM: Going to be wired in today?

21 THE WITNESS: Yeah.

22 MR. FUQUA: Actually, it'll end up being wired to
23 Seattle, I think.

24 THE WITNESS: Yeah, Seattle is --

25 MR. FUQUA: Sent from --

1 THE WITNESS: -- direct to them, wire to them.

2 MR. FUQUA: I think it's a direct, and it's coming
3 out of Canada.

4 And let me help you further. It's supposed to be in a
5 trust account as of last week for a fellow named David
6 Bernstein, who's an accountant with whom Mr. -- Dr. Rashid is
7 in business. He's indicated that that money's on deposit and
8 is to be transferred. That's the basis upon which the deal was
9 done.

10 MR. PARHAM: So he says he has the money?

11 MR. FUQUA: In one of his --

12 MR. PARHAM: In one of his accounts?

13 MR. FUQUA: -- accounts.

14 MR. PARHAM: And can be wired out? Okay.

15 BY MR. PARHAM:

16 Q I want to ask you a little bit about Global Empire. And I
17 guess maybe the place to start is with this company that had
18 the refinery. What was the name of that entity?

19 A Mohawk Refining and Marketing, LLC.

20 Q And does Mohawk have any remaining assets?

21 A No.

22 Q Was its only asset this topping plant?

23 A Yes, sir.

24 Q You mentioned another subsidiary, Galleria Management.

25 A Galleria Corridor, yeah.

Rashid Examination

17

- 1 Q And does it manage any other properties --
- 2 A No.
- 3 Q -- or just these two properties?
- 4 A Just these two properties.
- 5 Q Are there any other subsidiaries that Global Empire has?
- 6 A No.
- 7 Q Has Global Empire ever had any other subsidiaries?
- 8 A No.
- 9 Q Has Global Empire ever owned a percentage of any other
- 10 business?
- 11 A No.
- 12 Q And when was Global Empire formed?
- 13 A Is 2003.
- 14 Q And who are the members? I noticed it's an LLC.
- 15 A I am the member.
- 16 Q You're the sole member?
- 17 A Yeah.
- 18 Q Mr. Bernstein doesn't -- I'm sorry, Mr. Hendricks doesn't
- 19 have an ownership interest?
- 20 A No. Nobody.
- 21 Q Okay. You're aware that Progressive Mining deposited
- 22 \$750,000 to Global Empire --
- 23 A Yes, sir.
- 24 Q -- as a loan from --
- 25 A Uh-huh.

1 Q And you don't dispute that that money is owed back to
2 them, do you?

3 A We have a dispute that their agent brokered the money.

4 Q And who is that agent?

5 A His name is Jude. I don't know the -- exactly spelling of
6 last name. He's from Atlanta.

7 Q Jude?

8 A Yes. His first name is Jude.

9 Q Do you know his last name?

10 A No. Is very funny name. I don't -- I can furnish you his
11 name, full spelling. And the company, too.

12 Q And how much money did you say Jude took out of the
13 \$750,000?

14 A \$200,000.

15 Q \$200,000? What became of the other \$550,000?

16 A We paid for the lawyer fees and we got the law firm
17 engaged in that one to check the transaction. And that we
18 hired the accountants to look at the books and everything.

19 Q What law firm?

20 A That was in Canada.

21 Q And what accounting firm?

22 A No, it was independent accountant.

23 Q And who is that?

24 A His name was -- the lady's name was Lorraine.

25 Q How much did you pay Lorraine?

Rashid Examination

19

- 1 A We paid her \$50,000.
- 2 Q Okay. Do you recall her last name?
- 3 A Baldwin or something like that.
- 4 Q Is she in Houston?
- 5 A Yeah.
- 6 Q Okay. What about the law firm? How much did you pay
- 7 them?
- 8 A We paid them \$200,000 to look in the books.
- 9 Q And what law firm was that?
- 10 A Is the Jerome (unintelligible) and Associates.
- 11 Q Subsequent to the failure to close, are you aware that
- 12 representatives have indicated to Governor Moore and
- 13 Progressive Mining that the money would be refunded?
- 14 A Oh, yes. We did that, yeah.
- 15 Q And they did that because they felt that the money was
- 16 owed back, right?
- 17 A Yes, but the -- with them, we had the meeting and we went
- 18 through the whole -- their packet and everything, and we found
- 19 out that the transaction is bogus and we told (unintelligible).
- 20 So because this transaction is not real, because nobody own any
- 21 property, had anything to sell. And still we are negotiating
- 22 with him for work that he (unintelligible).
- 23 Q Negotiating with who?
- 24 A With one of -- with Arch Moore.
- 25 Q With Arch Moore?

1 A Uh-huh.

2 MR. STATHAM: Can we --

3 MR. PARHAM: You want to adjourn?

4 MR. STATHAM: -- adjourn for a short minute? I've
5 got to be in Judge Brown's court promptly at 9:30. My motion's
6 first.

7 MR. PARHAM: Yeah. I'm sorry.

8 (Off the record from 10:38 a.m. until 11:00 a.m.)

9 MR. STATHAM: All right. We're back on the record.
10 Please continue.

11 EXAMINATION BY MR. PARHAM, RESUMED

12 BY MR. PARHAM:

13 Q Dr. Rashid, is there a contract between Global Empire and
14 the management company at the Galleria?

15 A Yes, sir. Yeah.

16 Q You mentioned that you expected occupancy to pick up such
17 that the property would be cash flow positive. Are there
18 signed leases?

19 A Yeah.

20 Q Okay. Has Global Empire in its history made loans to any
21 entity?

22 A No.

23 Q And I think you said earlier that they had not invested in
24 any entities other than the --

25 A Mohawk Refining, yes.

1 Q Okay. With respect to the Progressive Mining issues, you
2 told me that you thought a broker had taken \$200,000, you'd
3 paid \$200,000 to a law firm, and \$50,000 to an accountant. Was
4 the accountant Lorraine Bevins?

5 A Yeah.

6 Q Okay. And what became of the other \$300,000?

7 A That was our fees to arrange all the mechanism, what we
8 are getting the financing done.

9 Q You say your fee for arranging --

10 A Yes, sir.

11 Q -- the financing?

12 A Yeah.

13 Q Has the property been appraised since 2003?

14 A No.

15 Q Do you have any intent -- I mean, have any appraisers been
16 retained to do a current appraisal?

17 A Not yet, because the new lenders are looking on that, the
18 old appraisal.

19 Q You have a claim for \$10 million?

20 A Yes.

21 Q What's the basis of that claim?

22 A My own money I invested in the refinery transaction and
23 also in the buildings, to bring them up-date.

24 Q I'm sorry. The money you invested in the buildings --

25 A Yes.

1 Q -- and what?

2 A To clean them up, to bring them up to the, you know, the
3 living -- improving the condition of the buildings.

4 Q And you said something, the first.

5 MR. FUQUA: The refinery.

6 THE WITNESS: The refinery.

7 BY MR. PARHAM:

8 Q The refinery?

9 A Uh-huh.

10 Q And are there any loan documents evidencing debt between
11 you and Global Empire?

12 A No, because I own the 100 percent Global Empire.

13 Q Was any other cash ever infused into Global Empire as an
14 equity contribution?

15 A As far as I know.

16 Q No?

17 A Uh-huh.

18 Q You have to speak. The court reporters or the --

19 A That's fine. I'm looking at you because you are the
20 question.

21 Q That's right.

22 MR. FUQUA: But they're trying to record the answers
23 to his questions.

24 THE WITNESS: All right.

25 BY MR. PARHAM:

1 Q Okay. Your schedules indicate that the corporate records
2 are with Lorraine Bevins, Susan Chen, and Gerald Hendricks?

3 A Yes.

4 Q Would that include minutes of any kind of directors'
5 meetings?

6 A No.

7 Q Okay. Where would those be? Or have there been
8 directors' meetings?

9 A No.

10 Q Are there any directors besides yourself?

11 A We have that nonvoting directors. So there is no voting
12 power to any director.

13 Q Nonvoting, you mean?

14 A Yes.

15 Q Okay. And does Global Empire have any full-time
16 employees?

17 A No. Is me, myself.

18 Q Has it ever had any employees?

19 A No.

20 Q Mr. Hendricks, I take it, is just kind of an independent

21 --

22 A Yes.

23 Q -- contractor type?

24 A Yes.

25 Q He doesn't have an employment contract with the company?

1 A No.

2 MR. PARHAM: I will pass.

3 MR. ROSEN: Thank you.

4 EXAMINATION BY MR. ROSEN

5 BY MR. ROSEN:

6 Q What is the nature of Mr. Hendricks' --

7 A He's the con...

8 Q -- claim status for \$2 million? What is the -- what is
9 that about?

10 A He provided the service last four years to manage our, on
11 a contract base, different transactions.

12 Q And is there a written contract --

13 A Is a commission. Is a commission we have to pay him.

14 Q What's the commission based on?

15 A On different projects what he worked on.

16 Q What specific projects did he work on?

17 A There are a lot of projects that he was working on that.
18 He's traveling for the company, time to time.

19 Q What projects specifically?

20 A Financing. Financing on the -- our refinery acquisitions
21 and everything.

22 Q What other projects besides financing --

23 A That's it.

24 Q -- on the refinery?

25 A That's it.

1 Q And do you have a written contract with him to pay him \$2
2 million?

3 A Yes.

4 Q Where is that written contract?

5 A We'll furnish you.

6 Q Who has possession of it?

7 A I don't have with me. I have.

8 Q And when was that written contract entered into?

9 A Two years ago.

10 Q How much money did you pay for the refinery?

11 A We paid -- at the closing, we paid \$175,000. But it was a
12 private deal.

13 Q So, apart from the \$175,000 -- strike that. The balance
14 of the \$10 million that you claim is owed to you by the company
15 --

16 A Yes.

17 Q -- make up what's been put into the buildings on --

18 A Buildings, and also the improvement. We spent a lot of
19 money there to improve the land, improve everything, clean up
20 the whole thing.

21 Q Do you have contracts and invoices and receipts that would
22 total somewhere close to \$9 million for that type of work?

23 A Sure.

24 Q And when was all this work done on those buildings?

25 A Last three years.

Rashid Examination

26

1 Q When did you purchase the buildings?

2 A In July 18th.

3 Q Of what year?

4 A 2005.

5 Q Then how did you incur costs to improve the buildings
6 before you purchased the buildings?

7 A I had the contract with the ownership that I have to
8 invest in the buildings, to clean them up, bring them, you
9 know, the improvements.

10 Q What kind of contract was this where you didn't own the
11 building but you were to clean them up and spend your money on
12 them?

13 A This was a contract between the ownership and me.

14 Q And what was the nature of the contract? Was it a
15 contract --

16 A That I will -- I will acquire the buildings.

17 Q And where are those written contracts?

18 A It's not a written contract. It was between me and them,
19 that I have to keep investing the money in the building and
20 bringing them to the point that I will acquire them if I
21 arrange the financing.

22 Q So it wasn't a contract in writing?

23 A No.

24 Q And how much of this \$9 million plus in improvements on
25 the land and the property was invested in the building before

Rashid Examination

27

1 | you purchased the building?

2 | A Half of that amount.

3 | Q Who was the property manager in the building before you
4 | purchased the building?

5 | A Joe Zalta.

6 | Q Spell his name for me.

7 | A J-O-E Z-A-L-T-A.

8 | Q And he still does management for the buildings?

9 | A No.

10 | Q When was the last time he did management for the building?

11 | A Until November.

12 | Q So after you closed and purchased the building, he
13 | continued to do --

14 | A He has three months, yes. Four months after that.

15 | Q What does that mean, he has four months?

16 | A Four months, he managed.

17 | A VOICE: Well, he said three or four months.

18 | BY MR. ROSEN:

19 | Q The \$1 million that you're acquiring to give to Centrum,
20 | what is the name of the entity that owns that million dollars
21 | that's loaning it to you?

22 | A They are my friends that they contribute to me and that I
23 | am giving them.

24 | Q What are the names of the friends that are giving you a
25 | million dollars?

- 1 A They are my family relations, my own family friends.
- 2 Q Where are they --
- 3 A They are overseas.
- 4 Q And what are their names?
- 5 A What their names?
- 6 Q Yes. Who are the people, the names of the individuals
- 7 that are loaning you up to a \$1,175,000, or whatever that
- 8 number is?
- 9 A Is Mr. Abul Hussain.
- 10 Q Can you spell that for me?
- 11 A A-B-U-L H-U-S-S-A-I-N.
- 12 Q And where does he reside?
- 13 A Dubai, U.A.E.
- 14 Q Dubai?
- 15 A Uh-huh.
- 16 Q Anyone else?
- 17 A That's it.
- 18 Q The current lenders you've been negotiating with is --
- 19 lender is First Capital?
- 20 A Yes.
- 21 Q Have you been negotiating with First Capital for the past
- 22 three months?
- 23 A Past two months.
- 24 Q What is the hold-up?
- 25 A We don't know. They are checking all the documentation.

1 I have no idea what hold-up. We have asked them.

2 Q So they've not given you any reason why they --

3 A No. They are saying that they are preparing all, they're
4 checking everything.

5 Q Have they requested an appraisal?

6 A I don't know yet.

7 Q I think you told us earlier that you're losing
8 approximately \$40,000 a month.

9 A Yes.

10 Q And I think you also told us earlier that the problem with
11 the deal came about when you lost the three law firm tenants.

12 A Yes.

13 Q What was the total rent that those three law firm tenants
14 were paying you?

15 A They was occupying 25,000 square foot.

16 Q What was the dollar rent?

17 A \$1.50 they was paying.

18 Q So these three law firms were paying \$1.50 a square foot
19 and were occupying 25,000 square feet?

20 A Yeah.

21 Q What were the names of these law firms?

22 A I can furnish you. I don't know as of now.

23 Q You don't know the names of the law firms?

24 A No.

25 Q You told us that there are -- Corridor I has a 70-75